

East Nashville Cooperative Ministry

**Accountant's Review and
Recommendations**

Years Ended December 31, 2008 and 2007

Accountant's Review Report


Board of Directors
East Nashville Cooperative Ministry

I have reviewed the accompanying balance sheets of the East Nashville Cooperative Ministry as of December 31, 2008 and 2007, and the related statements of income and expenses for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the East Nashville Cooperative Ministry. Management has elected not to include any accompanying notes to the financial statements.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, with the exception of the matters described in the following paragraph, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Management has informed me that the organization has recorded property and equipment (building and land) based on an assessment by real estate experts as to the value of the organization's real property. Competent, external verification of this transaction was not provided and, as a result, the effects of this departure from generally accepted accounting principles on financial position and results of operations have not been determined.



Roy L. Jones CPA
April 30, 2009

East Nashville Cooperative Ministry
Balance Sheet
December 31, 2008 and 2007

	<u>ASSETS</u>	<u>2008</u>	<u>2007</u>
Current Assets:			
Operating cash			
Restricted cash		\$ 10,622	\$ 4,412
Total current assets		<u>26,032</u>	<u>11,392</u>
		\$ 36,654	\$ 15,804
Property and Equipment:			
Building and property		\$ 325,000	\$ 2,076
Computer equipment		<u>2,045</u>	<u>-</u>
Total property and equipment		\$ 327,045	\$ 2,076
Total Assets		<u>\$ 363,699</u>	<u>\$ 17,880</u>
 <u>LIABILITIES AND CAPITAL</u> 			
Current Liabilities:			
Payroll taxes		\$ 449	\$ 1,238
Total current liabilities		\$ 449	\$ 1,238
Capital			
Retained Earnings		339,566	\$ 10,298
Net Income		<u>23,684</u>	<u>6,344</u>
		\$ 363,250	\$ 16,642
Total Liabilities and Capital		<u>\$ 363,699</u>	<u>\$ 17,880</u>

For Management Purposes Only

East Nashville Cooperative Ministry
Statement of Income and Expenses
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenue	\$ 78,705	\$ 46,504
Expenses:		
Audit	\$ 468	\$ -
Bank fees	59	52
Clothes closet expense	65	170
Dues & subscriptions	126	-
Equipment & machinery	234	-
Grant expenses	648	457
Lenten service expenses	-	65
Insurance	2,301	1,287
Garden expenses	418	-
Pest control	100	1,019
Postage	346	39
Office expense	1,120	423
Salaries	29,557	24,549
Security	557	553
Payroll taxes	1,241	1,464
Repairs and maintenance	6,675	1,361
Taxes & licenses	645	603
Utilities	10,402	8,088
Volunteer recognition	59	30
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Total Expenses	55,021	40,160
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Net Income	<u>\$ 23,684</u>	<u>\$ 6,344</u>

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Accountant's Recommendations

In planning and performing my engagement related to the financial statements of East Nashville Cooperative Ministry ("the Ministry") for the year ended December 31, 2008, I considered the Ministry's internal controls in order to determine the nature and extent of my procedures. As a result, I became aware of matters that are opportunities for strengthening internal controls and operating effectiveness. The following summarize those suggestions regarding those matters.

Recommendations

Bonding of Those Handling Cash

It could not be determined if those volunteers and staff who are handling cash disbursements are currently bonded. It would be my suggestion that all personnel, both volunteers and staff who handle cash receipts or disbursements (checks), be bonded by an insurance company to reimburse the Ministry for embezzlement or theft should it ever occur.

Review of Cash Receipts

All checks received by the Ministry should be restrictively endorsed "for deposit only" immediately upon receipt.

Review of Cash Disbursements

It is recommended that the Board authorize that checks paid out over a specific amount (e.g. \$500) be required to have two (2) signatures on the check.

Review of Payroll Records

It is recommended that the Ministry require all new employees to complete the Department of Justice I-9 form as part of the hiring process.

Review of Computer Systems

It is recommended that current or duplicate copies of the operating system and programs be maintained off premises.

This report is intended solely for the information and use of the Board of Directors and management of the East Nashville Cooperative Ministry and is not intended to be and should not be used by anyone other than these specified parties.